

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Robert G. Taub

McCallsburg Post Office
McCallsburg, Iowa

Docket No. A2012-86

ORDER AFFIRMING DETERMINATION

(Issued March 19, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012.”¹ The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly,

¹ United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).

the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

The Postal Service’s Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service’s request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On November 29, 2011, Robin Pruisner (Petitioner) filed a petition with the Commission seeking review of the Postal Service’s Final Determination to close the McCallsburg, Iowa post office (McCallsburg post office).² The Final Determination to close the McCallsburg post office is affirmed.³

II. PROCEDURAL HISTORY

On December 13, 2011, the Commission established Docket No. A2012-86 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.⁴

On December 14, 2011, the Postal Service filed the Administrative Record with the Commission.⁵ The Postal Service also filed comments requesting that the Commission affirm its Final Determination.⁶

² Petition for Review received Robin Pruisner Regarding the McCallsburg, Iowa post office 50154, November 29, 2011 (Petition).

³ The Commission is divided equally, 2-2, on the outcome of this appeal. In the absence of a majority, the Final Determination stands.

⁴ Order No. 1042, Notice and Order Accepting Appeal and Establishing Procedural Schedule, December 13, 2011.

⁵ The Administrative Record is attached to the United States Postal Service Notice of Filing, December 14, 2011 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the McCallsburg, Iowa Post Office and Establish Service by Rural Route Service (Final Determination).

⁶ United States Postal Service Comments Regarding Appeal, January 23, 2012 (Postal Service Comments).

Petitioner filed a participant statement supporting her Petition.⁷ On February 7, 2012, Petitioner filed a reply brief.⁸ On February 13, 2012, the Public Representative also filed reply comments.⁹

III. BACKGROUND

The McCallsburg post office provides retail postal services and service to 129 post office box customers. Final Determination at 2. Eighty-five (85) delivery customers are served through this post office. The McCallsburg post office, an EAS-11 level facility, provides retail service from 7:30 a.m. to 12:00 p.m. and 1:15 p.m. to 4:15 p.m., Monday through Friday, and 7:30 a.m. to 10:00 a.m. on Saturday. Lobby access hours are 6:30 a.m. to 8:30 p.m., Monday through Friday, and 6:30 a.m. to 6:30 p.m. on Saturday. *Id.*

The postmaster position became vacant on January 29, 2010 when the McCallsburg postmaster retired. A non-career officer-in-charge (OIC) was installed to operate the post office. *Id.* at 2, 9. Retail transactions average 22 transactions daily (26 minutes of retail workload). Post office receipts for the last 3 years were \$29,709 in FY 2008; \$26,980 in FY 2009; and \$25,563 in FY 2010. There is one permit or postage meter customer. By closing this post office, the Postal Service anticipates savings of \$34,141 annually. *Id.* at 9.

⁷ Participant Statement received from Robin Puisner, January 3, 2012 (Participant Statement). Attached to the Participant Statement are two appendices, Appendix I (list of Handbook PO-101 violations) and Appendix II (list of customer concerns from the June 15, 2011, community meeting).

⁸ McCallsburg Comments in Response Regarding USPS Answering Brief, February 7, 2012 (Petitioner Reply Brief).

⁹ Comments of the Public Representative, February 13, 2012 (PR Reply Comments). On the same date, the Public Representative also filed a Motion for Late Acceptance of Reply Comments. Motion of the Public Representative for Late Acceptance of Reply Comments, February 13, 2012. That motion is granted.

After the closure, retail services will be provided by the Roland post office located approximately 6 miles away.¹⁰ *Id.* at 2. Delivery service will be provided by rural carrier through the Roland post office. The Roland post office is an EAS-15 level post office, with retail hours of 8:30 a.m. to 11:00 a.m. and 1:00 p.m. to 4:00 p.m., Monday through Friday, and 8:30 a.m. to 10:30 a.m. on Saturday.¹¹ Two-hundred-seventeen (217) post office boxes are available. *Id.* The Postal Service will continue to use the McCallsburg name and ZIP Code. *Id.* at 8, Concern No. 6.

Retail services are also available at the Zearing post office located approximately 5 miles away.¹² *Id.* at 2. The Zearing post office is an EAS-13 level post office, with retail hours of 7:30 a.m. to 12:00 p.m. and 12:30 p.m. to 3:45 p.m., Monday through Friday, and 7:30 a.m. to 10:00 a.m. on Saturday. *Id.* Seventy-four (74) post office boxes are available.

IV. PARTICIPANT PLEADINGS

Petitioner. Petitioner opposes the closure of the McCallsburg post office. She states that the Postal Service has not followed applicable procedures, there are factual errors and omissions in the Final Determination, and that the decision to close the post office is premature.¹³ Petition at 1; Participant Statement at 1-14; Petitioner Reply Brief

¹⁰ MapQuest estimates the driving distance between the McCallsburg and Roland post offices to be approximately 5.9 miles (9 minutes driving time).

¹¹ Petitioner alleges that the Administrative Record contains inaccurate information regarding the classification level of the Roland post office, and questions whether the Postal Service considered how the discontinuance of the McCallsburg post office would affect the Roland post office's classification level. Participant Statement at 2-3, Item No. 2; Petitioner Reply Brief at 2, Item Nos. 3, 4. The Postal Service argues that in evaluating a post office for discontinuance, the Postal Service assesses whether nearby postal facilities have the capability to serve customers of the studied site, but any analysis of whether nearby facilities would change levels would require speculation. Postal Service Comments at 3 n.7. It explains that it estimates that the McCallsburg post office's discontinuance will add only 15 minutes of workload to the Roland post office, which would not be sufficient for a classification level increase. *Id.*

¹² MapQuest estimates the driving distance between the McCallsburg and Zearing post offices to be approximately 5.1 miles (7 minutes driving time).

¹³ Although Petitioner alleges that the Administrative Record omits a couple of documents, Petitioner does not explain how the alleged omission of any of these documents would have affected the Final Determination. See *generally* Participant Statement; Petitioner Reply Brief.

at 3-4. Petitioner also contends that rural route service will not provide a maximum degree of effective and regular postal service to the McCallsburg community. Petition at 1; Participant Statement at 2-6; Petitioner Reply Brief at 3. She argues that the closure of the McCallsburg post office would have an adverse effect on the community and employees. Participant Statement at 6-8; Petitioner Reply Brief at 3-4. She further asserts that the estimated cost savings are inaccurate. Participant Statement at 8-9; Petitioner Reply Brief at 4.

Postal Service. The Postal Service argues that the Commission should affirm its determination to close the McCallsburg post office. Postal Service Comments at 1. The Postal Service believes the appeal raises four main issues: (1) the effect on postal services; (2) the impact on the McCallsburg community; (3) the economic savings expected to result from discontinuing the McCallsburg post office; and (4) the effect on employees. *Id.* The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes that the determination to discontinue the McCallsburg post office should be affirmed. *Id.* at 1, 19-20.

The Postal Service explains that its decision to close the McCallsburg post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and low office revenue;
- a variety of other delivery and retail options (including the convenience of rural delivery and retail service);
- little recent growth in the area;
- minimal impact on the community; and
- expected financial savings.

Id. at 4-5. The Postal Service contends that it will continue to provide regular and effective postal services to the McCallsburg community when the Final Determination is implemented. *Id.* at 5.

The Postal Service acknowledges that Petitioner alleges inconsistencies within the Administrative Record regarding multiple issues, but asserts that Petitioner also concedes that the Administrative Record includes some documents that contain accurate information on these issues. *Id.* at 2 n.2. The Postal Services notes that because the Administrative Record reflects a progressive and developing process, it is expected that the documentation will reflect greater accuracy as more information becomes available. It argues that since the Postal Service had accurate information available within the Administrative Record, any inconsistencies among documents do not weaken the basis for the Final Determination. *Id.*

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioner regarding the effect on postal services, the effect on the McCallsburg community, economic savings, and the effect on postal employees. *Id.* at 19-20.

Public Representative. The Public Representative asserts that the Postal Service has not followed the applicable procedures set forth in 39 U.S.C. § 404(d). PR Reply Comments at 6. He notes that because certain procedures are not observed, key factual underpinnings of the decision to close the McCallsburg post office are not supported on the Administrative Record. *Id.*

Moreover, he asserts that there are key omissions in the Final Determination with respect to access to retail services and calculating the net financial impact of the closure. *Id.* at 8-9. Therefore, he concludes the Final Determination to close the McCallsburg post office should be remanded. *Id.*

V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be

(a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

The Administrative Record indicates the Postal Service took the following steps in providing notice of its intent to close. On May 24, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the McCallsburg post office. Final Determination at 2. A total of 214 questionnaires were distributed to customers. Other questionnaires were made available at the retail counter at the McCallsburg post office. A total of 91 questionnaires were returned.

On June 15, 2011, the Postal Service held a community meeting at the American Legion to address customer concerns.¹⁴ *Id.* Seventy-two (72) customers attended. *Id.*

The Postal Service posted the proposal to close the McCallsburg post office with an invitation for comments at the McCallsburg, Zearing, and Roland post offices from July 11, 2011 through September 11, 2011. *Id.* The Final Determination was posted at the same three post offices from October 27, 2011 through November 28, 2011.¹⁵ Administrative Record, Item No. 49.

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service

¹⁴ Petitioner compiled a long list of concerns raised by the citizens of McCallsburg at the June 15, 2011 community meeting to which she asserts the Postal Service has not responded either in the proposal or the Final Determination. Participant Statement at 15 (Appendix II). She alleges that a Postal Service representative did not take notes during the community meeting, and that this alleged failure resulted in an inaccurate summary in the Proposal and Final Determination. Participant Statement at 5, Item No. 8. The Postal Service maintains that input from the community meeting is included in the Administrative Record at Item No. 25 notwithstanding the alleged failure to take notes at the community meeting. The Postal Service submits that the Petitioner and other concerned customers had the opportunity to correct any inaccuracies in the summary after the posting of the proposal, and they could have submitted the list of questions attached to the participant statement before issuance of the Final Determination. Postal Service Comments at 4 n.12. The concerns listed in the Participant Statement appear to be either cumulative of those concerns discussed in the Final Determination or unrelated to the potential closing of the facility.

¹⁵ Petitioner alleges that the discontinuance decision was predetermined. Participant Statement at 7, Item No. 17. The Postal Service asserts that local field personnel could not predetermine the outcome because the Final Determination was approved at the Headquarters level upon review of the information compiled in the Administrative Record. Postal Service Comments at 3 n.9. Petitioner argues that the Postal Service's Final Determination is also premature, since decisions have yet to be made that are prerequisite to making a valid Final Determination that fully satisfies the notice requirements of Section 404(d). Participant Statement at 4-5, 8, Items Nos. 7, 10, 19; Petitioner Reply Brief at 1, 3-4, Items Nos. 1, 9, 16. The Postal Service contends that while Petitioner alleges that the Final Determination contains inaccurate information regarding the dates of posting for the Final Determination, she does not contend that the Postal Service failed to comply with the posting requirements of 39 U.S.C. § 404(d), or that the accurate posting information appears elsewhere in the Administrative Record. Postal Service Comments at 3 n.10.

will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

The Postal Service must also comply with the provisions of 39 U.S.C. § 101(b), which prohibits closing any small post office solely for operating at a deficit.

Effect on the community. McCallsburg, Iowa is an unincorporated community located in Story County, Iowa. Administrative Record, Item No. 16. The community is administered politically by a Mayor and City Council. Police protection is provided by the Story County Sheriff. Fire protection is provided by the McCallsburg Fire Department. The community is comprised of farmers, retirees, self-employed individuals, and those who work in local businesses or commute to work in nearby communities. *Id.* Residents may travel to nearby communities for other supplies and services. See generally Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).¹⁶

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the McCallsburg community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the McCallsburg post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 7.

Petitioner raises the issue of the effect of the closure of the McCallsburg post office on the McCallsburg community. Participant Statement at 6-7; Petitioner Reply Brief at 3. The Postal Service contends that issue was considered extensively by the Postal Service and that communities generally require regular and effective postal

¹⁶ Petitioner also emphasizes that the Postal Service omitted from the hardcopy version of the Administrative Record that it posted at the McCallsburg post office a letter opposing the closing submitted collectively by the town of McCallsburg, and of the letter of Senator Grassley urging the Postal Service not to close it. Participant Statement at 9, Item No. 21. The comments raised in these letters appear to be cumulative.

services, and these will continue to be provided to the McCallsburg community. Postal Service Comments at 11.

Petitioner expresses a concern about the Postal Service's consideration of the McCallsburg post office discontinuance's effect on businesses in the community.¹⁷ Participant Statement at 6, Item No. 15; Petitioner Reply Brief at 3, Item No. 12. The Postal Service asserts that it considered the effect of the discontinuance on businesses in the community, and found no indication that the discontinuance would have an adverse effect.¹⁸ Postal Service Comments at 12. It explains that in their responses to questionnaires, customers indicated they would continue to patronize local businesses if the McCallsburg post office is closed. *Id.*

Petitioner raises a concern about the loss of the community bulletin board at the McCallsburg post office. Participant Statement at 6, Item No. 14. The Postal Service responds that the range of potential locations for a community bulletin board is not limited to retail outlets. *Id.* at 13. It contends that a community bulletin board may be located in the city hall, or a school or church in the community, and the Administrative Record indicates that these institutions are present in the McCallsburg community. *Id.*

Petitioner further questions whether the Postal Service considered growth in the McCallsburg community as part of the discontinuance study process. Participant Statement at 7, Item No. 16; Petitioner Reply Brief at 3, Item No. 13. The Postal Service asserts that it determined McCallsburg has experienced minimal growth in

¹⁷ Petitioner challenges the Postal Service's finding regarding the impact of the closure of the McCallsburg post office on businesses in the community based on alleged inconsistencies in documents within the Administrative Record. The Commission notes that Petitioner concedes that at least one document in the Administrative Record reflects an accurate list of the businesses in the McCallsburg community, and there is no indication that the Final Determination was based on incomplete information regarding the businesses in the McCallsburg community. *See generally* Participant Statement; Petitioner Reply Brief.

¹⁸ Petitioner expresses a concern about the Postal Service's delivery of mail to a school in the McCallsburg community. Participant Statement at 7, Item No. 15. The Postal Service explains that it is routine for carriers to deal with customers receiving a large volume of mail that does not fit in an ordinary mailbox or cluster box unit, and that the carriers make arrangements to serve each customer's postal needs. Postal Service Comments at 12 n.20.

recent years; this assessment was based on information contained in the Postal Service's Facilities Planning website. Postal Service Comments at 13.

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

Effect on employees. The Postal Service states that the McCallsburg postmaster retired on January 29, 2010, and that an OIC has operated the McCallsburg post office since then. Final Determination at 2. It asserts that after the Final Determination is implemented, the temporary OIC will either be reassigned or separated and that no other Postal Service employee will be adversely affected. *Id.* at 9.

The Postal Service has considered the possible effects of the post office closing on the OIC and has satisfied its obligation to consider the effect of the closing on employees at the McCallsburg post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

Effective and regular service. The Postal Service contends that it has considered the effect the closing will have on postal services provided to McCallsburg customers. Postal Service Comments at 5. It asserts that customers of the closed McCallsburg post office may obtain retail services at the Roland post office located 6 miles away or from the Zearing post office located 5 miles away. Final Determination at 2. Delivery service will be provided by rural carrier through the Roland post office. The McCallsburg post office box customers may obtain Post Office Box service at the Roland post office, which has 217 boxes available. *Id.*

Petitioner raises the issue of the effect on postal services resulting from the closure of the McCallsburg post office, noting the convenience of that post office. Petition at 1; Participant Statement at 2-6; Petitioner Reply Brief at 3. Petitioner also criticizes the Postal Service for failing to account for the fact it will cost customers money to travel to other post offices. Participant Statement at 4, Item No. 5. For customers choosing not to travel to the Roland post office, the Postal Service explains that retail services will be available from the carrier. Postal Service Comments at 5-6. It notes that various other options exist for obtaining postal services. *Id.* at 6. It suggests that customers may opt for Post Office Box service at the nearby Roland post office or

Zearing post office, or use alternate access options, including www.usps.com and Stamps by Mail. *Id.*

Petitioner expresses concern about mail security. Participant Statement at 3, 6, Item Nos. 4, 12. The Postal Service asserts that customers may place a lock on their mailboxes. Postal Service Comments at 6. It also explains that the Postal Service sent a questionnaire to the Branch County Sheriff concerning mail theft and vandalism in the suspended post office area and the Story County Sheriff's Office indicated that there has been minimal mail theft or vandalism activity in the area. *Id.* at 6-7.

Petitioner argues that requesting and receiving special services and purchasing money orders from the carrier will be inconvenient. Petition at 1; Participant Statement at 3-4, Item No. 5. The Postal Service responds that, contrary to Petitioner's assertions, customer convenience may be enhanced upon implementation of the Final Determination because the provision of rural carrier service will alleviate the need for customers to travel to the post office for retail services and will provide them with 24-hour access to their mail. Postal Service Comments at 7-8. The Postal Service maintains that rural carrier service will provide similar, if not better, service to the customers currently served by the McCallsburg post office. *Id.* at 7.

Petitioner raises a concern about the ability of customers to obtain carrier pick-up for parcels weighing 13 ounces or more. Participant Statement at 4, Item No. 5; Petitioner Reply Brief at 3, Item No. 10. The Postal Service asserts that the rural carrier will accept packages for mailing and, if necessary, the carrier will estimate the cost of the package, accept payment, and complete the transaction for the customer. Postal Service Comments at 8. It explains that a rural carrier is permitted to pick up a package weighing 13 ounces or more if the package is shipped by a known customer, does not have stamps applied, and includes a return address that matches the pick-up point. *Id.*

Petitioner also expresses concern regarding the delivery of accountable items, large parcels, and medications. Petition at 1; Participant Statement at 5-6, 16, Item No. 11; Appendix II, question 3. The Postal Service contends that if customers choose rural delivery service and if the customer lives less than one-half mile from the line of

travel, the carrier will attempt delivery to the customer's residence; if the customer lives over one-half miles away or is not home when delivery is attempted, a notice will be left in the mailbox. Postal Service Comments at 9. It notes that large parcels will be left outside the mailbox or at a location designated by the customer or a notice will be left in the mailbox. *Id.* The Postal Service explains that attempted delivery items will be taken back to the post office and customers, or a designated individual, may then pick up the item at the post office or request redelivery online at www.usps.com or by calling 1-800-ASK-USPS. *Id.* The Postal Service further explains that if the carrier attempts to deliver accountable mail and the addressee is unable to sign for the letter, the carrier will leave a Form 3849 informing the addressee of the attempted delivery of an accountable letter. It notes that the form also indicates that the letter is available in the local post office or the addressee may request redelivery. *Id.* The Postal Service argues it offers several options for McCallsburg post office customers that choose to utilize rural carrier service and receive accountable mail but are unable to be home during the week to sign for such mail. Postal Service Comments at 10.

Petitioner contends that the discontinuance of the McCallsburg post office will cause a hardship for senior citizens who do not have Internet service and do not drive. Participant Statement at 4, Item No. 5. The Postal Service responds stating that services are available to customers who do not have access to computers and that carrier service is beneficial to many senior citizens and those who face special challenges because it allows them to obtain some postal services without having to travel to the post office. Postal Service Comments at 10. It adds that in hardship cases, delivery can be made to the home of a customer. *Id.*

Petitioner inquires about the effect of the closure on a bulk permit mailer. Participant Statement at 4, Item No. 6. The Postal Service states it advised customers that bulk permit mail services will be available through the Roland post office. Postal Service Comments at 10. Petitioner also expresses concern regarding mail collection and about customer costs for the use of cluster box units (CBUs). Participant Statement at 5, 15, Item No. 9; Appendix II, question 15. The Postal Service asserts it

will continue to collect mail from McCallsburg customers, either through the use of a collection box, or through other options including collection from customer curbside mailboxes or CBUs. Postal Service Comments at 10. The Postal Service explains that there is no charge to the customer for use of a CBU. Postal Service Comments at 11.

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

Economic savings. The Postal Service estimates total annual savings of \$34,141. Final Determination at 9. It derives this figure by summing the following costs: postmaster salary and benefits (\$44,279) and annual lease costs (\$6,480), minus the cost of replacement service (\$16,618). *Id.*

Petitioner and the Public Representative assert that the estimated cost savings are inaccurate because the amounts saved are based on the salary and benefits of a postmaster rather than an OIC, who receives a lower salary and no benefits. Participant Statement at 8, Item No. 19; PR Reply Comments at 9-11. Petitioner argues that the realization of savings from labor is inconsistent with the Postal Service's statements that it will continue to employ the OIC. Participant Statement at 8, Item No. 19. The Postal Service notes the fact that the Postal Service may have paid less in salary and benefits over the past years does not mean that it could count on those savings annually in the future. Postal Service Comments at 14.

The McCallsburg post office postmaster retired on January 29, 2010. Final Determination at 2. The post office has since been staffed by a non-career OIC who, upon discontinuance of the post office, may be separated from the Postal Service. The postmaster position and the corresponding salary will be eliminated. See, e.g., Docket No. A2011-67, United States Postal Service Comments Regarding Appeal, October 24, 2011, at 13; Docket No. A2011-68, United States Postal Service Comments Regarding Appeal, November 2, 2011, at 10. Furthermore, notwithstanding that the McCallsburg post office has been staffed by an OIC for approximately 2 years, even assuming the use of the presumably lower OIC salary, the Postal Service would have satisfied the requirements of section 404(d)(2)(A)(iv).

Petitioner also states that the savings estimate does not account for additional costs to provide replacement service. Participant Statement at 8-9, Item Nos. 19, 20; Petitioner Reply Brief at 4, Item No. 14. The Postal Service asserts that the cost estimate includes a deduction of \$16,618, and this includes any necessary extra space or employees. Postal Service Comments at 15. It explains that if the Postal Service determines to provide service through the use of CBUs, it will incur a cost of approximately \$6,000.00 for the CBUs and there will be no additional costs attributable to installation or maintenance of CBUs. It adds that even if the Postal Service incurs an additional cost attributable to the utilization of CBUs, it will still achieve substantial savings from closing the McCallsburg post office. *Id.*

Petitioner also alleges that the Postal Service has failed to account for costs borne by customers to travel to other post offices. Participant Statement at 4, Item No. 5. The Postal Service explains that such costs are not required to be included in the economic savings calculation. Postal Service Comments at 15. The Postal Service contends that it appropriately applied its financial analysis to calculate the economic savings. *Id.*

Petitioner and the Public Representative assert that the Postal Service received an offer of reduced rent for the McCallsburg post office, which could be deducted from the Postal Service's estimate of gross savings. Participant Statement at 8, Item No. 19; Petitioner Reply Brief at 4, Item No. 14; PR Reply Brief at 10-11. The Postal Service argues that labor costs far outweigh the costs that could be saved through a reduction in rent. Postal Service Comments at 16.

Petitioner and the Public Representative also claim that the economic savings calculation does not account for lost revenue from post office boxes at the McCallsburg post office. Participant Statement at 8, Item No. 19; PR Reply Comments at 10. The Postal Service responds by stating that this revenue from Post Office Box service is a relatively small proportion of a post office's total revenue, and the impact of any such conversions would be trivial in relation to total savings. Postal Service Comments at 16.

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

Section 101(b). Section 101(b) prohibits closing any small post office solely for operating at a deficit. Petitioner alleges that the Postal Service is closing the McCallsburg post office solely for economic reasons. Participant Statement at 10; Petitioner Reply Brief at 4.

To be sure, economics plays a role in the Postal Service's decision. However, the Commission is not prepared to conclude that the Postal Service's determination violates section 101(b). In addition to considering workload at the McCallsburg post office (revenues declining and averaging only 22 retail transactions per day), the Postal Service took into account other factors such as the postmaster vacancy, the minimal impact on the community, and expected financial savings. In addition, it considered the alternate delivery and retail options available to customers. Final Determination at 2-7.

The Postal Service did not violate the prohibition in section 101(b) on closing the McCallsburg post office solely for operating at a deficit.

VI. CONCLUSION

The Postal Service has adequately considered the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the McCallsburg post office is affirmed.¹⁹

¹⁹ See footnote 3, *supra*.

It is ordered:

The Postal Service's determination to close the McCallsburg, Iowa post office is affirmed.

By the Commission.

Shoshana M. Grove
Secretary

DISSENTING OPINION OF CHAIRMAN GOLDWAY

The Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

The Postal Service argues that savings should be calculated based on a full-time postmaster's salary. Yet the McCallsburg post office has been operated by a non-career officer-in-charge (OIC) since the former postmaster retired on January 29, 2010. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal because only an OIC will be eliminated; yet on the other hand, it argues that the savings should be calculated using a full-time postmaster position.

The Postal Service already claims billions of dollars in savings from reducing labor costs. I believe the savings from substituting OICs in postmaster positions throughout the nation have already been included in those billions. There are inherent and blatant contradictions in the Administrative Record that must be corrected on remand.

It is not the statutory responsibility of the Commission to correct the Administrative Record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data were in the Administrative Record. Therefore, the decision to close should be remanded to the Postal Service to correct the Administrative Record and present a more considered evaluation of potential savings.

The Petitioner criticizes the accuracy and sufficiency of the Administrative Record, and identifies numerous errors, omissions, and deviations from proper procedures. *See generally* Participant Statement. The Postal Service asserts that such discrepancies and omissions do not rise to the level where they would disturb the Final Determination, and that customers could have brought some of the concerns to the

attention of the Postal Service at an earlier stage in the closure process. *See generally* Postal Service Comments.

The Commission makes its determination in post office closing appeals solely on a review of the Administrative Record before the Postal Service. 39 U.S.C. § 404(d)(5). I would remand this decision because the plethora of important questions regarding the accuracy of the Administrative Record raised by the Petitioner, considered together, depict the Final Determination as arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law. *See* 39 U.S.C. § 404(d)(5)(A). The manner in which the Postal Service responded to customer concerns was insufficient to alleviate customers' perception that they were not heard, and that the closure evaluation process was unjust and unfair.

Moreover, the Postal Service recently announced a moratorium on post office closings. It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the review process, but had not yet received a discontinuance notice by December 12, 2011, have the respite of a 5-month moratorium and the opportunity to have further consideration of alternatives by the Postal Service.

The citizens of McCallsburg, Iowa and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway

DISSENTING OPINION OF VICE CHAIRMAN LANGLEY

The Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service should take into consideration that a non-career postmaster relief (PMR) has been in charge of this facility since January 2010, not an EAS-11 postmaster, and reflect the PMR's salary and benefits in its cost savings analysis. As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings.

I find that the Administrative Record evidence does not support the Postal Service's decision to discontinue operations at the McCallsburg post office and should be remanded.

Nanci E. Langley